

IIIQ 2005

Performance of BZWBK Group

November 2005

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IAS Introduction

- First time application of International Financial Reporting Standards [IFRS] by Bank Zachodni WBK Group
- Limited retrospective application
- Required under EU and Polish regulations from 1.1.2005

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IIIQ 2005







Improving Performance Continues

BZWBK Group Performance

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I-IIIQ 2005 Highlights

	3Q2004	3Q2005	Change	
Profit Before Tax	428m	532m	+24%	
Net profit	344m	413m	+20%	
Adjusted Net Profit*	299m	413m	+38%	
Basic earnings per share	4.71	5.65	+20%	
Cost/Income ratio*	63.5%	60.9%	-2.6p.p.	
Annualised ROE*	15.6%	18.7%	+3.1p.p.	

* 2004 excluding impact of sale CardPoint (PLN 55m PBT & PLN 45m PAT)

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2005 Key Features

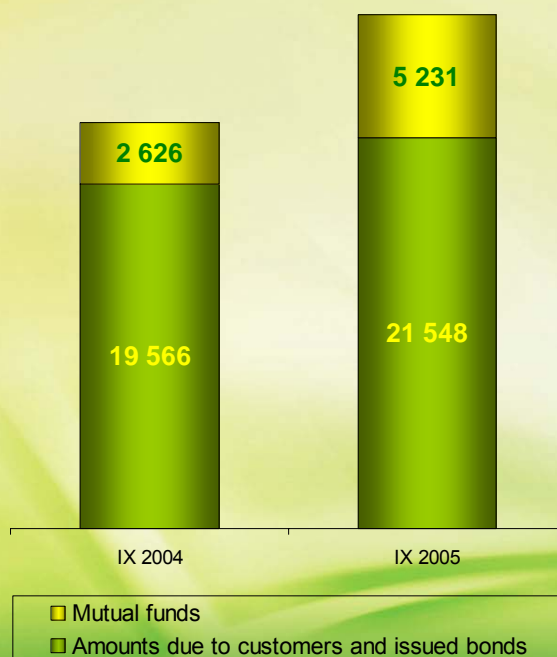
- Good quarterly trend in underlying performance
- Investment funds assets doubled with substantial growth in market share and solid performance in deposits.
- Excellent results of brokerage and leasing businesses.
- Expansion of personal lending portfolio, good results in cash loans.
- Improvement in the loan portfolio quality and significantly lower provision charge.
- Flat operating expenses resulting from the ongoing focus on cost effectiveness and management.

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Customers' funds + 20.7% yoy



- Customer's funds entrusted BZWBK Group (incl. mutual funds) increased by 20.7% yoy.
- Total deposits (incl. savings & leasing bonds) increased by 10.1% yoy (12.2% on constant currency basis)
 - Current accounts +12%*
 - Term deposits +11%
 - Savings and leasing bonds +18%
- Deposits increased by 5% from 31 Dec 2004
- Mutual funds increased by 99.2% yoy

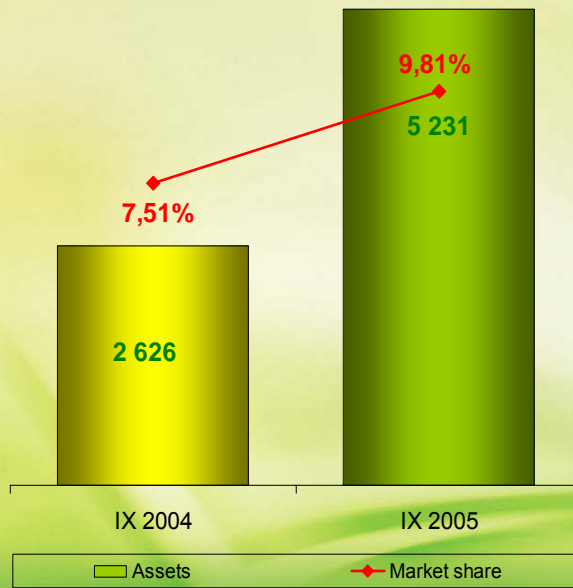
* Excluding customer funds for IPO's

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Mutual Funds + 99% yoy !



- 99% increase in assets over the past 12 months
- Significant increase in market share. Now 9.8% (June 2005 8.5%).
- 3rd position on the market
- Dynamic growth in fund's assets
 - ARKA Bond Fund +319%
 - ARKA Stable Growth Fund +264%
 - ARKA Balanced Fund +145%
- Excellent performance in fund units (last 12 months)
 - ARKA Equity Fund 35.0%
 - ARKA Stable Growth Fund 21.1%
 - ARKA Balanced Fund 29.5%

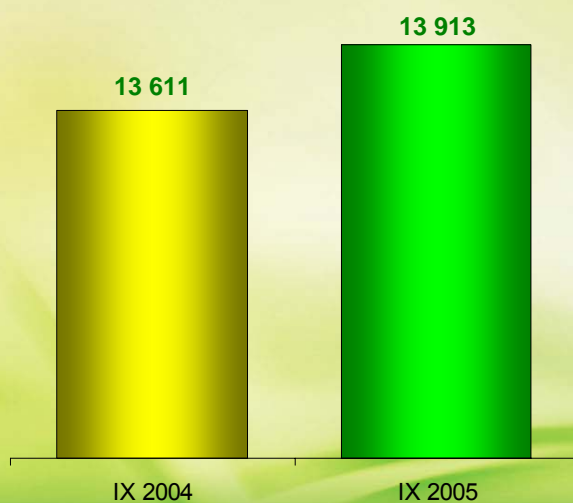
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Performing Loans + 2.2% yoy

Earning portfolio



- Increase of the performing loans portfolio +2.2% yoy (+4% on constant currency basis)
 - Cash loans + 67%
 - PLN mortgage loans + 13%
 - Leasing + 17%
 - Credit card + 5%
- Lower business loans portfolio by 3% due to:
 - Sluggish corporate market
 - Increased flow backs
 - Alternative projects financing
 - Debt securities
 - Usage of business surplus
- Good risk and return management

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Mortgage loans + 3% yoy

Earning portfolio



- Performing PLN mortgage loans portfolio increased by 13% yoy
- Good quality of the mortgage loans portfolio (NPL's 2.9% of total mortgage portfolio)
- Growth in PLN portfolio. Current share in PLN mortgage market 8.43% (end of August 2005)
- Lack of the currency risk
- Pricing leader in PLN position maintained . Good aggressive pricing:
 - 4.99%,
 - WIBOR 6M +1%
- Efficient scoring system

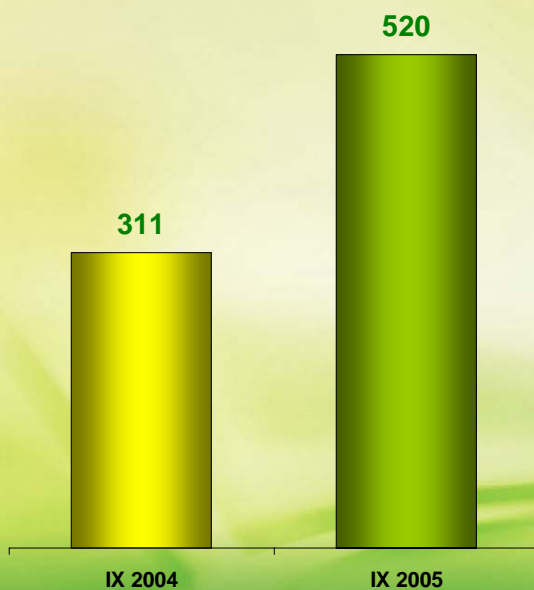
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Cash loans + 67% yoy

Earning portfolio



- The portfolio increased by 67% yoy (+27% vs June'05)
- New focus on product
 - Speed of decision making
 - Pre-sanctioning & cross-selling
 - Sale via telephone and Internet
 - Scoring card
 - Simplified procedures and document flow
- Good quality of the portfolio being maintained (NPL's as 5.3%, September'04 10.1%)
- Strong promotion campaign ahead

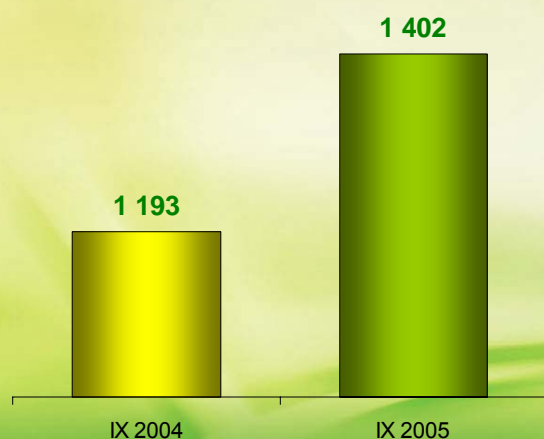
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Leasing + 17% yoy

Earning portfolio



- Leasing performing portfolio increased by 17% yoy
- IV position on the market (according to Rzeczpospolita)
- Good performance in machinery and equipment market – increase in sales 45% yoy
- Very good quality of portfolio
- Leasing product with connection to EU financing – investment financing
- Scoring system for agreements up to PLN 1m
- 10% market share in leasing services for SME – II position on the market after PKO S.A. (15%)

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Brokerage House + 99% yoy !

PLN bn



- DM BZWBK turnover on equity market increased by 99% (WSE +80% yoy) to the level of PLN 14.3bn.
 - Turnover in 3rd Qtr PLN 5.45bn, +81% on Qtr2
- DM BZWBK turnover on futures market increased by 76% (WSE +39% yoy).
- Individual market share and market position:
 - equity market - 11.4% (IV place) +1.08p.p.
 - futures - 13.5% (II place) +2.86p.p.
 - bond market - 4.7% (IV place) +0.75p.p.
 - options - 8.8% (V place) +2.26p.p.
- Success of IPO's: Opczno, Zelmer, PEP, Lotos, Polmos, Barlinek, TELL, PGNiG and POLICE SA
- Increase in number of internet accounts – 74%
- The best brokerage house for individual customers in Poland according to „Rzeczpospolita”

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Profit & Loss Statement YTD

PLN m	9 months 2004	9 months 2005	Growth 2005/2004
Total Income	1,376	1,434	+4.2%
CardPoint Profit	55		
Total Costs	874	875	0.0%
Operating Surplus	557	560	+0.5%
Provisions	-131	-28	-79%
Operating Profit	425	532	+25.2%



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P&L Quarterly split Positive trends throughout 2005

PLN m	1st Qtr 2005	2nd Qtr 2005	3rd Qtr 2005	Total
Total Income	451	499*	485	1,434
Total Costs	288	292	294	875
Operating Surplus	163	207	191	560
Provisions	-4	-12	-11	-28
Operating Profit	158	194	180	532
Excl. dividends		147		

* Include PLN 47m dividend



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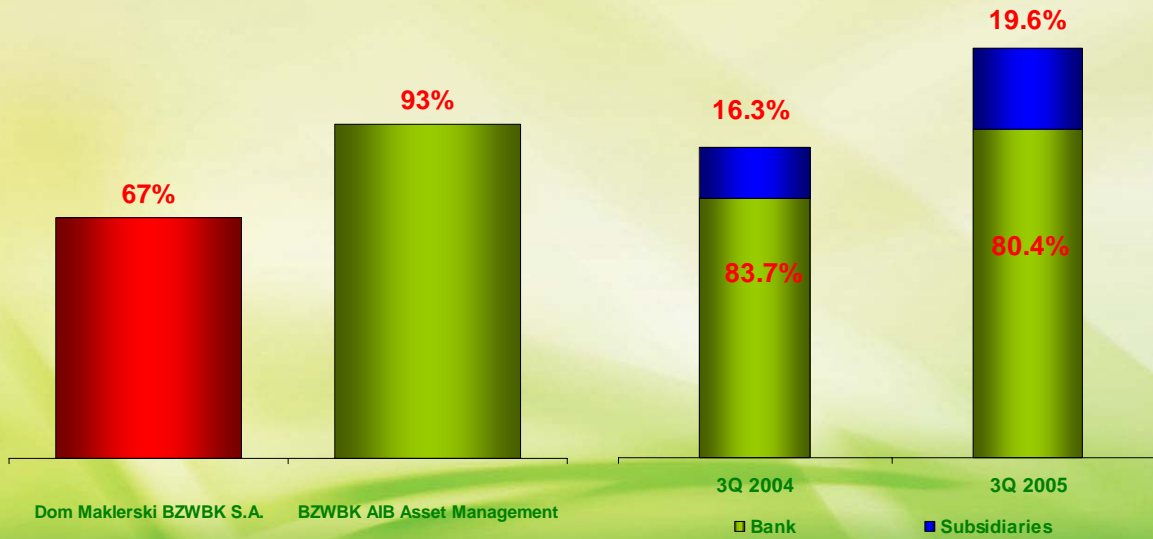
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BZWBK Subsidiaries gross profit yoy

Dynamic growth of subsidiaries

Growing share of overall profit



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Total Income PLN 1 434 + 4% yoy



- Total income - excl. income from CardPoint sale PLN 55m - increased by 4%.
- Total income growth driven by growth in non interest income 8% yoy
 - FX Profit (impact of CCY swaps) +17%
 - Net fees and commissions +7% (driven by asset management fees, foreign exchange fees and brokerage fees)
- Net interest income impacted by
 - Rate environment
 - Business mix / competition
 - Regulatory changes

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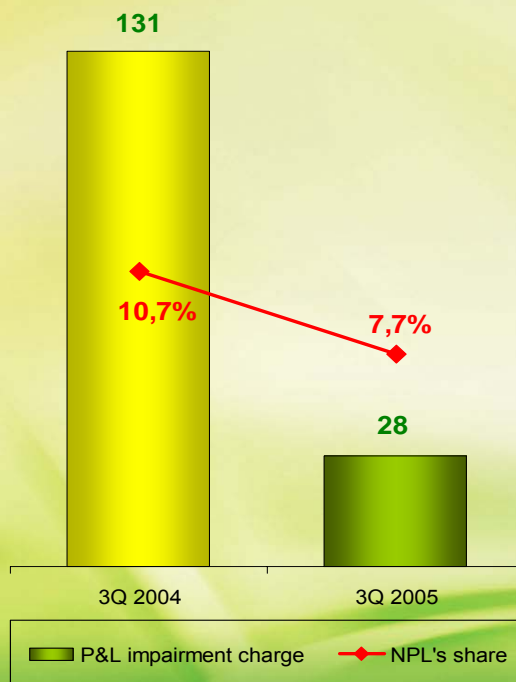
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Operating expenses PLN 874m 0.0% yoy



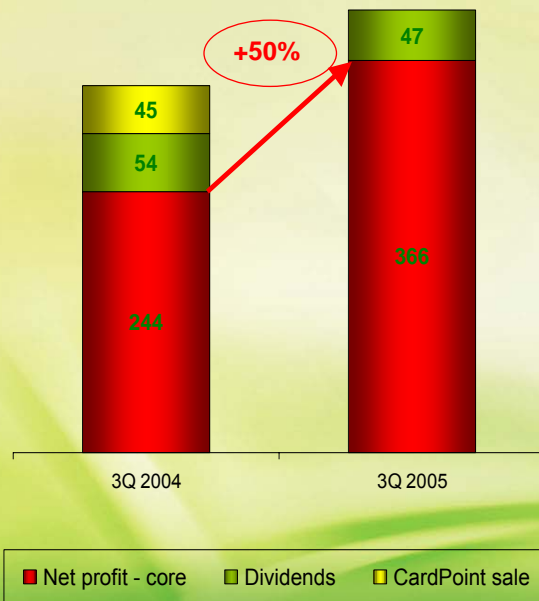
- Cost control remains a key focus
 - Good savings in general and administrative expenses being achieved
 - Employee costs increasing
 - Depreciation decreased by 8%

P&L Impairment / Provision charge



- Benefits from prudent lending approach being realised. Impairment/Provision charge lower by PLN 103m.
- Level of NPL's now PLN 1.1bn, reduced by 28% yoy.
- The ratio of NPL's to total loans decreased from 10.7% Qtr3 2004 to 7.7% Qtr3 2005
- Credit loss ratio for 9 months declined from 0.90% in 2004 to the exceptionally low 0.19% in 2005

Bottom Line – Net Profit PLN 412.5m



- Core net profit up 50%
- In 2004, income from CardPoint sale PLN 55m before tax (PLN 45m after Tax)
- Annualised adjusted ROE for I-IIIQ 2005 up by 3.1 p.p.



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In summary

Strong I-IIIQ 2005 performance resulting in:

- Underlying net profit increased by 38% yoy
- PBT increased by 24% yoy, including Card Point sale in 2004
- Costs unchanged yoy
- C/I Ratio reduced by 2.6 p.p. to level 60.9%
- Annualised ROE 18.7%
- Solvency Ratio at 16.87%



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Contacts

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for any further information**

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